

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)

MATRIX TELECOM, INC. )

DOCKET NO. 05-0063

For a Certificate of Public  
Convenience and Necessity. )

In the Matter of the Application of)

MATRIX TELECOM, INC. and GLOBAL  
CROSSING TELECOMMUNICATIONS, INC. )

DOCKET NO. 05-0077

For Expedited Approval of the  
Transfer of Certain Assets and a  
Waiver of Applicable Anti-Slamming  
Regulations. )

(CONSOLIDATED)

DECISION AND ORDER NO. 21882

Filed June 20, 2005  
At 2 o'clock P.M.

Karen Higashi  
Chief Clerk of the Commission

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.

K. Higashi

RECEIVED  
2005 JUN 21 A 7:58  
DIV. OF CONSUMER ADVOCACY  
OFFICE OF PUBLIC UTILITIES  
CONSUMER AFFAIRS  
STATE OF HAWAII

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For Expedited Approval of the )  
Transfer of Certain Assets and a )  
Waiver of Applicable Anti-Slamming )  
Regulations. )

Docket No. 05-0077

(Consolidated)

Decision and Order No. 21882

DECISION AND ORDER

By this Decision and Order, the commission:

(1) consolidates Docket Nos. 05-0063 and 05-0077; (2) grants MATRIX TELECOM, INC. ("Matrix") a certificate of authority ("COA") to provide intrastate telecommunications services within the State of Hawaii ("State" or "Hawaii") as a reseller and provider of operator services, as requested in Docket No. 05-0063;<sup>1</sup> and (3) waives the requirements of

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<sup>1</sup>Matrix's Application for a certificate of public convenience and necessity ("CPCN"), filed on March 10, 2005, in Docket No. 05-0063 and Matrix's and GLOBAL CROSSING TELECOMMUNICATIONS, INC.'s ("GC") Application for expedited approval of the transfer of certain assets and a waiver of applicable anti-slamming regulations, filed on March 28, 2005. On June 3, 1996, HAR chapter 6-80 took effect. Chapter 6-80, among other things, replaces the CPCN with a COA for telecommunications carriers, and establishes procedures for requesting and issuing a COA. Accordingly, the commission will

Hawaii Revised Statutes ("HRS") §§ 269-7(a), 269-16.92, and 269-19 and Hawaii Administrative Rules ("HAR") § 6-61-105, to the extent applicable, in relation to certain proposed financial transactions described in Docket No. 05-0077, subject to certain conditions, as further described herein.

## I.

### Introduction

In Docket No. 05-0063, Matrix requests a COA to operate as a reseller of telecommunications services within the State ("Application for COA"). In Docket No. 05-0077, Matrix and GC jointly request commission approval of the proposed transfer of GC's assets to Matrix and a waiver of applicable anti-slamming regulations, to the extent required ("Application for Approvals/Waivers").

Both applications (Application for COA and Application for Approvals/Waivers) were served on the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"). On March 30, 2005, the Consumer Advocate filed its Statement of Position in Docket No. 05-0063 indicating that it does not object to the commission's approval of Matrix's Application for a COA, subject to certain recommendations, discussed herein ("March Statement of Position"). On April 19, 2005, the Consumer Advocate filed its Statement of Position in

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treat the Application for CPCN in Docket No. 05-0063 as a request for a COA under HAR chapter 6-80 and review such Application under HAR § 6-80-18.

Docket No. 05-0077 indicating that, based on the condition that Matrix receives its COA in Docket No. 05-0063, it recommends a waiver of the approval requirements triggered by the Proposed Financial Transactions described in its Application for Approvals/Waivers ("April Statement of Position").

## II.

### Consolidation of Docket Nos. 05-0063 and 05-0077

HAR § 6-61-39 provides that the commission, upon its own initiative, may consolidate two (2) or more proceedings that involve related questions of fact or law if it finds that consolidation will be conducive to the proper dispatch of its business and to the ends of justice and will not unduly delay the proceedings.

Upon review of the record, we find that Docket Nos. 05-0063 and 05-0077 involve related questions of fact and law. We also find that the consolidation of these proceedings will be conducive to the proper dispatch of the commission's business and the ends of justice, and will not unduly delay these proceedings.

Based on the foregoing, we conclude that Docket Nos. 05-0063 and 05-0077 should be consolidated.

III.

Application for COA (Docket No. 05-0063)

A.

Description of Matrix and its Proposed Services

Matrix is a Texas corporation authorized to do business in the State as a foreign corporation. Its principal place of business is in Oklahoma City, Oklahoma.

Matrix intends to provide intrastate telecommunications services within the State as a reseller. Specifically, Matrix intends to provide a range of "1 plus", calling card, toll-free, and special promotional offerings throughout the State.

B.

COA Requirements and Proposed Tariff

Upon review of the Application for a COA,<sup>2</sup> the commission makes the following findings pursuant to HAR § 6-80-18(a):

1. Matrix possesses sufficient technical, financial, and managerial resources and abilities to provide the proposed services;

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<sup>2</sup>In its March Statement of Position, the Consumer Advocate recommended that Matrix be required to file its most current income statement in accordance with HAR § 6-80-17(c)(1)(E). On April 15, 2005, the commission also directed Matrix to submit its most current income statement in accordance with HAR §§ 6-80-17(c)(1)(E) and 6-61-75. In response, Matrix submitted updated financial statements, which includes an income statement and balance sheet for the first quarter of 2005, on April 25, 2005. Thus, Matrix appears to have satisfactorily met the requirements of HAR §§ 6-80-17(c)(1)(E) and 6-61-75, and we, therefore, deem the Consumer Advocate's recommendation in its March Statement of Position to be moot.

2. Matrix is fit, willing, and able to properly perform the telecommunications services and to conform to the terms, conditions, and rules prescribed or adopted by the commission; and

3. Matrix's proposed telecommunications services are in the public interest.

Accordingly, the commission concludes that Matrix should be granted a COA to provide intrastate telecommunications services as a reseller.

Finally, based on the commission's review of the Consumer Advocate's recommended revisions to Matrix's proposed tariff stated in its March Statement of Position, we find such revisions to be reasonable and necessary. The commission also has its own recommended revisions. Thus, we conclude that Matrix's proposed tariff should be revised as follows:

1. All references to "Hawaii Public Service Commission" (Original Sheet 1 and 21) should be corrected to "Hawaii Public Utilities Commission."
2. All references to "KSCC" (Original Sheet 8) should be correct to "HPUC."
3. Section 2.5.1 (Original Sheet 16) should be amended to be consistent with the requirements set forth under HAR § 6-80-106.
4. Section 2.6 (Original Sheet 18) should be amended to be consistent with the requirements set forth under HAR § 6-80-103.

5. Section 2.11 (Original Sheet 20) should be amended to be consistent with the requirements set forth under HAR § 6-80-102.

IV.

Application for Approvals/Waivers (Docket No. 05-0077)

A.

Description of Subject Entities

Matrix is a public utility and, as indicated above, will be authorized by this Decision and Order to provide resold intrastate telecommunications services in the State. GC (fka, Frontier Communications Services, Inc.) is a Michigan corporation with its principal place of business located in Pittsford, New York. It is also a public utility that holds a commission-issued COA to provide intrastate telecommunications services within the State as a reseller.<sup>3</sup>

B.

Description of Proposed Financial Transactions

On March 19, 2005, Matrix and GC entered into an Asset Purchase Agreement whereby Matrix will purchase certain assets from GC and assume certain liabilities related to GC's Small Business Group, which provides voice and data products to

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<sup>3</sup>See, Decision and Order No. 16146, filed on January 5, 1998, in Docket No. 97-0416 ("Decision and Order No. 16146"). The commission also takes official notice, pursuant to HAR § 6-61-48, of all commission records relating to Matrix and GC. Specifically, in Docket No. 97-0416, Frontier Communications Services, Inc. informed the commission on December 14, 1999, of its name change to GC.

small and medium sized business enterprises throughout the United States ("Proposed Financial Transactions"). Upon consummation of the Proposed Financial Transactions, Matrix will service the Small Business Group customer base, and GC will continue to provide services to those customers not previously served by its Small Business Group. GC represents that, notwithstanding the Proposed Financial Transactions, it will retain its authority to provide intrastate telecommunications services in the State.

C.

Consumer Advocate's April Statement of Position

The Consumer Advocate suggests that the Proposed Financial Transactions, described above, does not trigger HRS § 269-19 because such transactions pertain "to the sale of GC's customer base and does not involve a sale of GC's facilities."<sup>4</sup> Nonetheless, if the commission determines that the Proposed Financial Transactions should be reviewed under HRS § 269-7(a), the Consumer Advocate recommends waiver of those requirements under HRS § 269-16.9 and HAR § 6-80-135. It supports its recommendation by stating:

1. Matrix and GCI are non-dominant resellers of intrastate telecommunications services;
2. The Proposed Financial Transactions are intended to serve the public interest by providing Matrix the opportunity to strengthen its competitive

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<sup>4</sup>See, April Statement of Position at 3.



position by combining GC's Small Business Group customer base with Matrix's current services, products and expertise; and are expected to be seamless and transparent to consumers; and

3. Since many telecommunications service providers are authorized to provide resold telecommunications services in the Hawaii market, it is assumed that competition will serve the same purpose as public interest regulation for the Proposed Financial Transactions.

In addition, the Consumer Advocate recommends that the commission waive the anti-slamming requirements set forth under HRS § 269-16.92 based on Matrix's and GC's representations that, among other things, they will provide advance subscriber notice to the affected subscribers at least thirty (30) days prior to the transfer in accordance with applicable Federal Communications Commission ("FCC") and state requirements, particularly HAR § 6-80-123.<sup>5</sup> The Consumer Advocate, nonetheless, qualifies its recommendations by stating that because it did not receive a copy of GC's revised tariff required under Decision and Order No. 16146, the commission should require GC to immediately file copies of such revised tariff with the commission, if it did not receive such revised tariff, and the Consumer Advocate.<sup>6</sup>

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<sup>5</sup>*Id.* at 5-6.

<sup>6</sup>*Id.* at 6.

D.

Statutory Requirements

HRS § 269-7(a) authorizes the commission to examine the condition of each public utility, its financial transactions, and "all matters of every nature affecting the relations and transactions between it and the public or persons or corporations." Under this section, the commission will approve the proposed financial transaction if it is reasonable and consistent with the public interest.<sup>7</sup>

HRS § 269-16.92 provides that "[n]o telecommunications carrier shall initiate a change in a subscriber's selection or designation of a long-distance carrier without first receiving (1) a letter of agency or letter of authorization; (2) an electronic authorization by use of a toll-free number; (3) an oral authorization verified by an independent third party; or (4) any other prescribed authorization."

HRS § 269-19 requires a public utility corporation to obtain our consent prior to, among other things, mortgaging, encumbering, or otherwise disposing of its property necessary or useful in the performance of its duties to the public. HRS § 269-19 also states: "Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation, made other than in accordance with the order of the commission shall be void."

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<sup>7</sup>See, Decision and Order No. 19874, filed on December 13, 2002, in Docket No. 02-0345.

Upon review of the record, we find and conclude that the Proposed Financial Transactions fall under the purview of, at the minimum, HRS §§ 269-7(a) and 269-16.92.<sup>8</sup> Notwithstanding these regulatory requirements, HRS § 269-16.9 also permits us to waive regulatory requirements applicable to telecommunications providers if we determine that competition will serve the same purpose as public interest regulation. Specifically, HAR § 6-80-135 permits us to waive the applicability of any of the provisions of HRS chapter 269 or any rule (except provisions of HRS § 269-34 or provisions of HAR chapter 6-80 that implement HRS § 269-34), upon a determination that a waiver is in the public interest.

In this matter, we find, at this time, the telecommunications services currently provided by Matrix and GC are fully competitive, and that Matrix and GC are non-dominant carriers in Hawaii. We also find that the Proposed Financial Transactions are consistent with the public interest, and that

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<sup>8</sup>We agree with the Consumer Advocate that the proposed transfer of customer accounts from GC to Matrix does not fall within the purview of HRS § 269-19, as the commission has traditionally held that the acquisition of a carrier's customers does not require commission approval. *In re Startec Global Licensing Company and Teligent Services, Inc.*, Docket No. 04-0275, Decision and Order No. 21500 (December 20, 2004); and *In re Cable & Wireless USA, Inc. and Primus Telecommunications, Inc.*, Docket No. 02-0349, Decision and Order No. 19779 (November 18, 2002). However, we disagree with the Consumer Advocate that the transactions, as a whole, do not trigger HRS § 269-19. Matrix and GC failed to articulate the "assets" that Matrix will purchase from GC and the "liabilities" that Matrix will assume from GC. The record is unclear as to whether the transactions involves a sale of property necessary or useful in the performance of Matrix's and GC's duties to the public or whether the transactions will result in encumbrances of public utility property. Thus, we are unable to determine, at this juncture, whether the transactions trigger HRS § 269-19.

competition, in this instance, will serve the same purpose as public interest regulation. Matrix and GC also make numerous representations such as their plans to provide advance subscriber notice to the affected subscribers at least thirty (30) days prior to the transfer in accordance with applicable FCC and state requirements, particularly HAR § 6-80-123. Thus, based on the above and other representations stated in the Application for Approvals/Waivers, the commission concludes that the applicable requirements of HRS §§ 269-7(a), 269-16.92 and 269-19, to the extent applicable, should be waived with regards to the matters in Docket No. 05-0077, pursuant to HRS § 269-16.9 and HAR § 6-80-135.<sup>9</sup>

Similarly, based on these findings and conclusions stated above, we will also waive the provisions of HAR § 6-61-105, to the extent that the Application for Approvals/Waivers fails to meet any of these filing requirements.

Notwithstanding the commission's waiver of the requirements noted above, our records indicate that Matrix filed its revised tariff in Docket No. 97-0416 on January 16, 1998, but

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<sup>9</sup>See also, Decision and Order No. 18454, filed on March 28, 2001, in Docket No. 00-0443. The commission will continue to examine each application or petition and make determinations on a case-by-case basis as to whether the applicable requirements of HRS §§ 269-7(a), 269-17 and 269-19 should be waived. The commission's determination, in the instant case, of the applicability of HRS §§ 269-7(a), 269-17 and 269-19 is based on our review of the Application filed in Docket No. 05-0077. Thus, our waiver in this instance of the applicability of HRS §§ 269-7(a), 269-17 and 269-19 should not be construed by any public utility, including Matrix and GC, as a basis for not filing an application or petition regarding similar transactions that fall within the purview of these statutes.

failed to serve the Consumer Advocate in accordance with HAR § 6-61-21. Thus, the commission agrees with the Consumer Advocate's recommendation, and will require Matrix to file its revised tariffs with the Consumer Advocate within thirty (30) days of this Decision and Order.

V.

Orders

THE COMMISSION ORDERS:

1. Docket Nos. 05-0063 and 05-0077 are consolidated.
2. Matrix is granted a COA to provide intrastate telecommunications services in the State as a reseller and an operator service provider, subject to the applicable conditions, noted below.
3. The requirements of HRS § 269-7(a), 269-16.92, and 269-19; and HAR § 6-61-105, to the extent applicable, are waived with respect to the Proposed Financial Transactions, described in the Application for Approval/Waivers in Docket No. 05-0077, subject to the condition that GC files its revised tariffs filed in Docket No. 97-0416 with the Consumer Advocate within thirty (30) days of this Decision and Order.
4. As the holder of a COA, Matrix shall be subject to all applicable provisions of HRS chapter 269, HAR chapters 6-79, 6-80, and 6-81, any other applicable State laws and commission rules, and any orders that the commission may issue from time to time.

5. Matrix shall file its tariffs in accordance with HAR §§ 6-80-39 and 6-80-40. Matrix's tariffs shall comply with the provisions of HAR chapter 6-80. In the event of a conflict between any tariff provision and State law, State law shall prevail.

6. Matrix shall conform its initial tariff to the applicable provisions of HAR chapter 6-80 by, among other things, incorporating the tariff revisions required by this Decision and Order. An original and eight (8) copies of the initial tariff shall be filed with the commission, and two (2) additional copies shall be served on the Consumer Advocate. Matrix shall ensure that the appropriate issued and effective dates are reflected in its tariffs.

7. Within thirty (30) days from the date of this Decision and Order, Matrix shall pay a public utility fee of \$60, pursuant to HRS § 269-30. The business check shall be made payable to the Hawaii Public Utilities Commission, and sent to the commission's office at 465 S. King Street #103, Honolulu, HI, 96813.

8. Within thirty (30) days from the date of this Decision and Order, Matrix shall also pay a telecommunications relay service ("TRS") contribution of \$10.00, established pursuant to: (A) Act 50, adopted on May 7, 2003 (codified at HRS § 269-16.6); and (B) Order No. 21049, filed on June 10, 2004, in Docket No. 04-0070. (A copy of Order No. 21049 is attached hereto as Exhibit 1.) The business check shall be made payable to "Hawaii TRS", and sent to the Hawaii TRS Administrator,

NECA Services, Inc., 80 S. Jefferson Road, Whippany, NJ 07981.  
Written proof of payment shall be sent to the commission.

9. Failure to promptly comply with the requirements set forth in this Decision and Order may constitute cause to void this Decision and Order, and may result in further regulatory action, as authorized by law.

10. This docket is closed unless otherwise ordered by the commission.

DONE at Honolulu, Hawaii JUN 20 2005.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By Carlito P. Caliboso  
Carlito P. Caliboso, Chairman

By Wayne H. Kimura  
Wayne H. Kimura, Commissioner

By Janet E. Kawelo  
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Kris N. Nakagawa  
Kris N. Nakagawa  
Commission Counsel

05-0063/05-0077.eh

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
 )  
PUBLIC UTILITIES COMMISSION )  
 )  
Instituting an Investigation )  
into the Carrier Contribution )  
Factor and Telecommunications )  
Relay Services Fund Size for )  
the period of July 1, 2004 )  
through June 30, 2005. )  
\_\_\_\_\_ )

DOCKET NO. 04-0070

ORDER NO. 21049

Filed June 10, 2004

At 2:01 o'clock P.M.

Bronlee Kane  
for Chief Clerk of the Commission



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )	
	)
PUBLIC UTILITIES COMMISSION )	Docket No. 04-0070
	)
Instituting an Investigation )	Decision and Order No.21049
into the Carrier Contribution )	
Factor and Telecommunications )	
Relay Services Fund Size for )	
the period of July 1, 2004 )	
through June 30, 2005. )	
_____ )	

DECISION AND ORDER

I.

Background

By Order No. 20904, filed on April 15, 2004, the commission initiated the instant proceeding to examine whether to modify the Telecommunications Relay Services ("TRS") carrier contribution factor and fund size for the period July 1, 2004 to June 30, 2005, established in accordance with Order No. 20193, filed on May 23, 2003, in Docket No. 03-0058 ("Order No. 20193").<sup>1</sup> Specifically, the commission proposes to modify the carrier contribution factor from 0.00375 to 0.0010 effective on July 1, 2004 ("Proposed Carrier Contribution Factor"). The proposed carrier contribution factor of 0.0010 is expected to remain in effect through June 30, 2005.

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<sup>1</sup>In Docket No. 03-0058, the commission selected SPRINT COMMUNICATIONS CO., LP. ("Sprint") as the exclusive provider of intrastate TRS within the State of Hawaii ("State of Hawaii") from July 1, 2003 to June 30, 2006. See Decision and Order No. 20163, filed on April 30 2003. Order No. 20193, filed on May 23, 2003, in Docket No. 03-0058.

The commission also proposes to keep the projected TRS fund size, as of July 1, 2004, at \$680,000 ("Proposed TRS Fund Size").

The commission served copies of Order No. 20904 on The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate") and Sprint, the parties to this proceeding, and mailed copies of Order No. 20904 to all chartered, certificated and registered telecommunications carriers, except payphone providers, at their mailing addresses on file with the commission. Written comments to the proposals were accepted until May 14, 2004. As of the date of this order, only the Consumer Advocate filed written comments on the commission's proposals.<sup>2</sup>

## II.

### Background

On May 23, 2003, the commission issued Order No. 20193, in Docket No. 03-0058 which, among other things, ordered: (1) every telecommunications carrier providing intrastate telecommunications service in the State of Hawaii to contract with Sprint for the provision of telecommunications relay service, for the period beginning July 1, 2003 to June 30, 2006; (2) every carrier providing intrastate telecommunications service in Hawaii shall contribute to the TRS fund on the basis of gross operating revenues from the retail provision of intrastate telecommunications services during the preceding calendar year,

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<sup>2</sup>Consumer Advocate's Statement of Position, filed on May 7, 2004.

consistent with the terms of Order No. 20193<sup>3</sup>; (3) contributors' contribution to the TRS fund shall be the product of their gross operating revenue from the retail provision of intrastate telecommunications services during the preceding calendar year, which is subject to investigation by the commission, and a contribution factor determined annually by the commission, consistent with the terms of Order No. 20193; and (4) the annual TRS funding period commences July 1 and ends June 30 of each year.

### III.

#### Discussion

##### A.

#### Consumer Advocate's Statement of Position

The Consumer Advocate states that it has no objections to the Commission's proposed carrier contribution factor and the fund size. However, in order to monitor the sufficiency of the fund size and protect against degradation of service, the Consumer Advocate recommends that Sprint should be required to provide TRS reports on a quarterly basis so that the commission may be better and more quickly able to determine whether changes to the contribution factor are warranted. Specifically, the Consumer Advocate recommends that the reports contain: (1) actual number of TRS calls offered by month; (2) actual number of abandoned calls by month; (3) average speed of answer

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<sup>3</sup>The commission specifically excluded payphone providers from contributing to the TRS fund.

in seconds of TRS calls by month; (4) average work time in seconds by month; (5) number of TRS complaints filed either verbally or in writing by month; and (6) detailed data on actual revenues, expenses and investments for TRS services in Hawaii.

B.

Reporting Requirements

Upon review, the commission declines to adopt the Consumer Advocate's recommendation relating to additional reporting requirements primarily because we find these requirements are unnecessary and redundant.

Pursuant to the terms and conditions of the Request for Service ("RFS") in Docket No. 03-0058, which governs the commission's arrangement with Sprint for the provisioning of TRS, Sprint is required to submit the following reports:

- a. Section 4.5 (Payment): "No more than fifteen days after the close of each month, the service provider will submit a report [i.e., billing statement] to the Commission detailing the previous month's work. Then, the Commission, within thirty (30) days of receipt of said report, will authorize or determine a date the provider is authorized to withdraw payment from the TRS account or fund. Total reimbursement shall not exceed the total fixed bid per minute price."
- b. Section 4.13 (Reports): "[A] monthly report with the monthly billing statement which will enable the Commission to monitor whether the Relay service is meeting each of the FCC and State performance standards. The report shall also include summary information on complaints, when appropriate. When applicable, the monthly report should include information on any hardware procedural or service enhancements made to the Relay service. After receiving authorization from the Commission, the selected service provider may request designation of certain written reports as proprietary, consistent with the Commission's practice and procedures."

In compliance with Section 4.5 of the RFS, NECA Services, Inc. ("NECA") files on a monthly basis: (1) a Statement of Fund Performance; and (2) a Delinquent Report. The information includes total fund revenues collected from telecommunications carriers, disbursements to Sprint as authorized by the commission, fund balance as of the end of the previous month, and delinquent carriers that have not paid their TRS fund contributions.

Furthermore, in compliance with Section 4.13 of the RFS, Sprint provides comprehensive, detailed information on minutes of use; traffic reporting statistics, including number of calls offered and abandoned, average speed of answer, and average work time; speech-to-speech statistics; and CapTel results. The billing statement also includes summary reporting of customer complaints and outreach efforts.

The commission notes that the Consumer Advocate has not been copied on any of these reports previously filed with the commission and we hereinafter will require Sprint to copy the Consumer Advocate on these reports going forward. Sprint's existing reports contain much of the information the Consumer Advocate appears to be seeking. The only type of information not included in Sprint's reports is specific investment information, however, we do not believe that that information needs to be included in the compliance reports.<sup>4</sup>

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<sup>4</sup>As Sprint has already been doing, it should continue to keep the commission informed, and seek our approval as appropriate, on new investments it plans to make to its network or operations that are expected to impact TRS in Hawaii. Sprint should also keep the Consumer Advocate informed of these new investments.

C.

Carrier Contribution Factor and Fund Size

Upon further review, the commission finds it reasonable to adopt the commission's proposals to modify the existing carrier contribution factor and fund size in their entirety as stated in Order No. 20904. In particular, the carrier contribution factor for the period July 1, 2004 to June 30, 2005 is 0.0010 and the projected TRS fund size as of July 1, 2004 will be established at \$680,000.

III.

Orders

THE COMMISSION ORDERS:

1. The commission's proposed modifications to the existing contribution factors and fund size, as stated in Order No. 20904, is adopted in their entirety.

2. The contribution factor for the period July 1, 2004 to June 30, 2005 is 0.0010. The projected TRS fund size as of July 1, 2004 is \$680,000.

3. Each carrier shall complete and submit a TRS Reporting Worksheet, attached to this Order as Exhibit "A".

4. Annual contributions are due July 26<sup>th</sup>; carriers who owe contributions \$1,200 or more may pay in twelve equal monthly installments, due on the 26<sup>th</sup> of each month, provided that they submit their TRS Reporting Worksheet by July 26<sup>th</sup>.

5. For carriers reporting \$10,000 or less in gross intrastate retail revenues, they shall contribute at least \$10.00 for the period July 1, 2004 to June 30, 2005.


6. Every carrier, except Commercial Mobile Radio Service ("CMRS") providers, shall comply with the 30-day notice requirement of HRS § 269-16(b) and HAR § 6-80-40(b) for any TRS surcharge imposed on its customers, both residential and business, to recover the amount of its contribution. CMRS providers shall place information on their TRS surcharges on their websites, consistent with Decision and Order No. 20890, filed on April 7, 2004, in Docket No. 02-0186.

7. Sprint shall copy the Consumer Advocate on the following reports to the commission: (1) Statement of Fund Performance; (2) Delinquent Report; and (3) TRS Performance Information and Statistics.

8. Order No. 20193, filed on May 23, 2003, in Docket No. 03-0058, is amended consistent with the terms and conditions of this decision and order. In all other respects, Order No. 20193 remains unchanged.

DONE at Honolulu, Hawaii this 10th day of June, 2004.

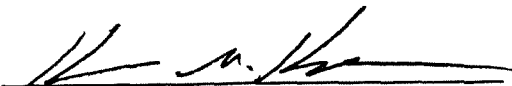
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By (EXCUSED)  
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Kevin M. Katsura  
Commission Counsel

04-0070.ah



**State of Hawaii**  
**Public Utilities Commission**  
**Telecommunications Relay Services**  
**Carrier Remittance Worksheet**  
**For the Period July 1, 20\_\_ - June 30, 20\_\_**

SECTION A		CARRIER IDENTIFICATION
Date:		
Company Name:		
Mailing Address:		
Email Address:		

SECTION B		REMITTANCE CALCULATION
1. Gross Revenues (Prior Calendar Year) <small>(e.g., Current year is 2004; Report revenues from 2003)            (Amount should match gross revenues reported for Hawaii PUC Fee purposes, HRS § 269-30)</small>		
2. Less: Revenue Adjustments <small>(describe, see Section E)</small>	<                      >	
3. Gross Intrastate Retail Revenues		
4. Hawaii TRS Contribution Factor	<b>.001</b>	
5. Gross Hawaii TRS Assessment <small>(line 3 x line 4)</small>		
6. Greater of line 5 or \$10.00 (minimum due)		
<p>If Line 6 is less than \$1,200, this is your annual contribution to the TRS Fund for the period beginning July 1<sup>st</sup> of the current year to June 30<sup>th</sup> of the following year. Please pay the amount on line 6, in full, by July 26<sup>th</sup> of the current year. Send your remittance with a copy of this worksheet to the address listed below.</p> <p>If Line 6 is \$1,200 or more, continue to line 7 below.</p>		

SECTION C		MONTHLY CONTRIBUTION
7. Divide line 6 by 12		
<p>Line 7 is your first monthly contribution to the TRS Fund, for the period beginning July 1<sup>st</sup> of the current year to June 30<sup>th</sup> of the following year. Send your 1<sup>st</sup> monthly remittance with a copy of this worksheet to the address listed below. Please pay the amount on line 7 by July 26<sup>th</sup>. NECA Services, Inc. will then send you a bill for the remaining eleven monthly payments.</p>		

SECTION D				CERTIFICATION
<p>Under penalties as provided by law, I certify that I am duly authorized to verify the foregoing information contained herein and that the information is true and correct to the best of my knowledge and belief.</p>				
Date	Officer Name	Officer Signature	Officer Title	
Date	Contact Name	Contact Phone	Contact Title	

<p style="text-align: center;"><b>Questions???</b></p> <p><b>Hawaii TRS Administrator</b>          NECA Services, Inc.          80 S. Jefferson Road          Whippany, NJ 07981          Phone (973) 884-8011          Fax (973) 599-6504</p>	<p style="text-align: center;"><b>Make checks payable to</b>  <b>"Hawaii TRS"</b>  <b>and send with worksheet to:</b>          Attn: Hawaii TRS Administrator          NECA Services, Inc.          80 S. Jefferson Road          Whippany, NJ 07981</p>
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**SECTION E DETAILS CONCERNING REVENUE ADJUSTMENT**

revenue adjustment(s) are not explained here, amounts deducted will be disallowed and proposed assessments may be prepared against you.

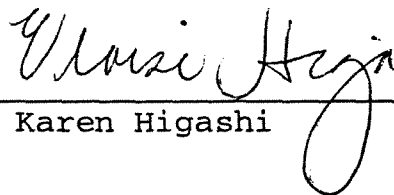
Describe amounts deducted from Gross Revenues to obtain Gross Intrastate Retail Revenues (list):	Amount
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
TOTAL	

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21049 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

MAGGIE SCHOOLAR  
GOVERNMENT ACCOUNT EXECUTIVE  
SPRINT COMMUNICATIONS  
1321 Rutherford Lane, Suite 120  
Austin, TX 78753

  
\_\_\_\_\_  
Karen Higashi

DATED: June 10, 2004

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21882 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

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JEFFREY A. MARKS, ESQ.  
LATHAM & WATKINS LLP  
555 Eleventh Street, NW, Suite 1000  
Washington, DC 20004-1304

Counsel to GLOBAL CROSSING TELECOMMUNICATIONS, INC.

  
\_\_\_\_\_  
Karen Higashi

DATED: JUN 20 2005